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Finances Québec

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

Volume 10, number 7

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AT NOVEMBER 30, 2015

Highlights for November 2015

- In November, the budgetary balance within the meaning of the *Balanced Budget Act* showed a surplus of $378 million. The balance takes into account the deposit of $118 million in the Generations Fund. Compared to last year:
  - own-source revenue increased by $441 million, standing at $4.6 billion;
  - federal transfers showed an increase of $64 million, reaching $1.5 billion;
  - program spending increased by $166 million, amounting to $5.3 billion;
  - debt service showed a decrease of $25 million, standing at $636 million.
- On the basis of the cumulative results at November 30, 2015, the budgetary balance within the meaning of the *Balanced Budget Act* showed a surplus of $1.8 billion, taking into account the deposit of $862 million in the Generations Fund.
- According to *The Québec Economic Plan – November 2015 Update*, a balanced budget is expected to be achieved for fiscal 2015-2016.

Summary of consolidated budgetary transactions

(millions of dollars) **(Unaudited data)**

	November		April to November			*The Québec Economic Plan — November 2015 Update*	
	2014	2015	2014-2015	2015-2016	Change (%)	2015-2016	Change (%)
GENERAL FUND							
Revenue							
Own-source revenue	4 110	4 551	34 787	36 337	4.5	57 061	4.3
Federal transfers	1 394	1 458	11 125	11 536	3.7	17 191	2.1
Total	**5 504**	**6 009**	**45 912**	**47 873**	**4.3**	**74 252**	**3.8**
Expenditure							
Program spending	–5 125	–5 291	–41 865	–42 054	0.5	–66 460	1.7
Debt service	–661	–636	–5 460	–5 303	–2.9	–8 156	0.1
Total	**–5 786**	**–5 927**	**–47 325**	**–47 357**	**0.1**	**–74 616**	**1.5**
NET RESULTS OF CONSOLIDATED ENTITIES[1]							
Non-budget-funded bodies and special funds	145	299	939	1 265	—	396	—
Health and social services and education networks	–21	–3	–122	–13	—	–32	—
Generations Fund	86	118	751	862	—	1 496	—
Total	**210**	**414**	**1 568**	**2 114**	**—**	**1 860**	**—**
SURPLUS (DEFICIT)	**–72**	**496**	**158**	**2 630**	**—**	**1 496**	**—**
BALANCED BUDGET ACT							
Deposits of dedicated revenues in the Generations Fund	–86	–118	–751	–862	—	–1 496	—
BUDGETARY BALANCE[2]	**–158**	**378**	**–596**	**1 768**	**—**	**—**	**—**

Note: The presentation of the budgetary information in the monthly report is consistent with that of the financial framework for the general fund and consolidated entities as published on page A.15 of *The Québec Economic Plan – November 2015 Update*.

(1) Details of transactions by type of entity are presented on page 5 of this report.

(2) Budgetary balance within the meaning of the *Balanced Budget Act*.

❑ Cumulative results at November 30, 2015

■ Budgetary balance

For the period from April to November 2015, the budgetary balance within the meaning of the *Balanced Budget Act* was in surplus by $1 768 million.

According to the November 2015 update of the Québec Economic Plan, a balanced budget is expected to be achieved for fiscal 2015-2016.

■ General fund revenue

At November 30, 2015, revenue totalled $47.9 billion, an increase of $2.0 billion, or 4.3%, compared to November 30, 2014.

— Own-source revenue stood at $36.3 billion, up $1.6 billion from the same time last year.

— Federal transfers amounted to $11.5 billion, up $411 million compared to November 30, 2014.

■ General fund expenditure

Expenditure as of the beginning of the fiscal year totalled $47.4 billion, an increase of $32 million, or 0.1%, over last year.

— For the period from April to November 2015, program spending rose by $189 million, or 0.5%, reaching $42.1 billion.

  — Spending rose primarily in the priority missions of Health and Social Services (2.6%) and Education and Culture (0.7%).

— Debt service amounted to $5.3 billion, a decrease of $157 million compared to last year.

Consolidated entities

At November 30, 2015, the results of consolidated entities showed a surplus of $2.1 billion. These results included:

— a surplus of $1.3 billion for non-budget-funded bodies and special funds;

— a $13-million deficit for the health and social services and education networks;

— dedicated revenues of $862 million for the Generations Fund.

Net financial surplus (requirements)

At November 30, 2015, the consolidated net financial surplus stood at $1 045 million, an improvement of $6.0 billion over last year. Net financial surpluses reflect the current budgetary balance as well as the year-over-year change in receipts and disbursements in the course of the government's transactions.

Consolidated budgetary and financial transactions
(millions of dollars) **(Unaudited data)**

	November			April to November		
	2014	**2015**	**Change**	**2014-2015**	**2015-2016**	**Change**
GENERAL FUND						
Revenue						
Own-source revenue	4 110	4 551	441	34 787	36 337	1 550
Federal transfers	1 394	1 458	64	11 125	11 536	411
Total	**5 504**	**6 009**	**505**	**45 912**	**47 873**	**1 961**
Expenditure						
Program spending	–5 125	–5 291	–166	–41 865	–42 054	–189
Debt service	–661	–636	25	–5 460	–5 303	157
Total	**–5 786**	**–5 927**	**–141**	**–47 325**	**–47 357**	**–32**
NET RESULTS OF CONSOLIDATED ENTITIES[1]						
Non-budget-funded bodies and special funds	145	299	154	939	1 265	326
Health and social services and education networks	–21	–3	18	–122	–13	109
Generations Fund	86	118	32	751	862	111
Total	**210**	**414**	**204**	**1 568**	**2 114**	**546**
SURPLUS (DEFICIT)	**–72**	**496**	**568**	**155**	**2 630**	**2 475**
Consolidated non-budgetary surplus (requirements)	–375	1 814	2 189	–5 068	–1 585	3 483
CONSOLIDATED NET FINANCIAL SURPLUS (REQUIREMENTS)	**–447**	**2 310**	**2 757**	**–4 913**	**1 045**	**5 958**

(1) Details of transactions by type of entity are presented on page 5 of this report.

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

General fund revenue

(millions of dollars) **(Unaudited data)**

Revenue by source	November 2014	November 2015	Change (%)	April to November 2014-2015	April to November 2015-2016	Change (%)
Own-source revenue excluding government enterprises						
Income and property taxes						
Personal income tax	1 400	1 659	18.5	12 677	13 189	4.0
Contributions to Health Services Fund	508	593	16.7	4 531	4 588	1.3
Corporate taxes	166	275	65.7	1 884	2 450	30.0
Consumption taxes	1 425	1 516	6.4	11 829	12 538	6.0
Other sources	177	150	–15.3	1 272	1 099	–13.6
Total own-source revenue excluding government enterprises	**3 676**	**4 193**	**14.1**	**32 193**	**33 864**	**5.2**
Revenue from government enterprises	434	358	–17.5	2 594	2 473	–4.7
Total own-source revenue	**4 110**	**4 551**	**10.7**	**34 787**	**36 337**	**4.5**
Federal transfers						
Equalization	774	793	2.5	6 191	6 347	2.5
Health transfers[1]	405	427	5.4	3 225	3 459	7.3
Transfers for post-secondary education and other social programs	132	130	–1.5	1 058	1 064	0.6
Other programs	83	108	30.1	651	666	2.3
Total federal transfers	**1 394**	**1 458**	**4.6**	**11 125**	**11 536**	**3.7**
TOTAL	**5 504**	**6 009**	**9.2**	**45 912**	**47 873**	**4.3**

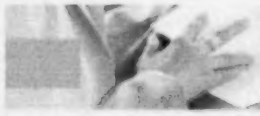
(1) Amounts of $430 million and $389 million in health transfers were allocated in 2014-2015 and 2015-2016, respectively, to the Fund to Finance Health and Social Services Institutions (FINESSS), a consolidated entity. These allocations were spread over the year, at $36 million and $32 million a month, respectively, and have already been deducted from the health transfers. Had it not been for these allocations, the change would have been 5.9% instead of 7.3%.

General fund expenditure

(millions of dollars) **(Unaudited data)**

Expenditure by mission	November 2014 [1]	November 2015	Change (%)	April to November 2014-2015 [1]	April to November 2015-2016	Change (%)
Program spending						
Health and Social Services	2 334	2 513	7.7	20 702	21 249	2.6
Education and Culture	1 555	1 571	1.0	10 851	10 930	0.7
Economy and Environment	489	429	–12.3	3 457	3 158	–8.6
Support for individuals and families	474	469	–1.1	4 239	4 149	–2.1
Administration and Justice	273	309	13.2	2 616	2 568	–1.8
Total program spending	**5 125**	**5 291**	**3.2**	**41 865**	**42 054**	**0.5**
Debt service	**661**	**636**	**–3.8**	**5 460**	**5 303**	**–2.9**
TOTAL	**5 786**	**5 927**	**2.4**	**47 325**	**47 357**	**0.1**

(1) Certain expenditures were reclassified between missions to take into account the transition to the 2015-2016 budgetary structure.



MONTHLY REPORT ON FINANCIAL TRANSACTIONS

Detailed information on the transactions of consolidated entities
(millions of dollars) **(Unaudited data)**

	November 2015								
	Special funds	Generations Fund	Specified purpose accounts	Transfers (expenditures) related to the tax system	Non-budget-funded bodies	Health and education networks [1]	Total	Consolidation adjustments [2]	Total
Revenue	1 221	118	30	500	1 958	—	3 827	–1 962	1 865
Expenditure									
Expenditure	–793	—	–30	–500	–1 844	–3	–3 170	1 876	–1 294
Debt service	–178	—	—	—	–65	—	–243	86	–157
Total	–971	—	–30	–500	–1 909	–3	–3 413	1 962	–1 451
RESULTS	250	118	—	—	49	–3	414	—	414

	April to November 2015								
	Special funds	Generations Fund	Specified purpose accounts	Transfers (expenditures) related to the tax system	Non-budget-funded bodies	Health and education networks [1]	Total	Consolidation adjustments [2]	Total
Revenue	9 472	862	451	4 077	15 469	—	30 331	–16 859	13 472
Expenditure									
Expenditure	–7 157	—	–451	–4 077	–14 549	–13	–26 247	16 162	–10 085
Debt service	–1 428	—	—	—	–542	—	–1 970	697	–1 273
Total	–8 585	—	–451	–4 077	–15 091	–13	–28 217	16 859	–11 358
RESULTS	887	862	—	—	378	–13	2 114	—	2 114

(1) The results of the networks are presented according to the modified equity accounting method.
(2) Consolidation adjustments include the elimination of program spending from the general fund.

The next monthly report, at December 31, 2015, will be published on March 18, 2016.

For more information, contact the Direction des Communications of the Ministère des Finances at 418 528-7382.

The report is also available on the Ministère des Finances website: www.finances.gouv.qc.ca.